

# Town of Oneonta

## Town Clerk

JULY 2021



OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## Town of Oneonta

### Audit Objective

Determine whether the Town of Oneonta (Town) Clerk properly recorded, deposited and remitted Clerk fees in a timely manner.

### Key Findings

The Clerk properly recorded all the fees we reviewed and remitted all fees collected during the audit period in a timely manner. However, the Clerk did not always deposit fees within the required time frame. The Clerk did not:

- Deposit \$5,266 in fees collected within the required time frame.
- Prepare accurate bank reconciliations.
- Prepare accountability analyses.
  - As of October 30, 2020, the Clerk’s bank account held an unaccounted for and unremitted cash balance of \$262.

### Key Recommendations

- Deposit all collections within the required time frame.
- Prepare bank reconciliations and accountability analyses, whereby known liabilities are reconciled to available cash.

Town officials agreed with our recommendations and have initiated or indicated they planned to initiate corrective action.

### Background

The Town of Oneonta, located in Otsego County, is governed by an elected Town Board (Board) composed of four members and a Town Supervisor (Supervisor).

The elected Clerk collects fees for birth and death certificates, marriage licenses, park pavilion rentals, mobile home park renewals, dog licenses and New York State Department of Environmental Conservation licenses.

#### Quick Facts

Clerk Fees Deposited for the Audit Period	\$43,917
Population	5,229

### Audit Period

January 1, 2019 - October 31, 2020

# Town Clerk

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## How Should a Clerk Record, Deposit and Remit Collections?

A clerk must properly account for all transactions by promptly and accurately recording the amounts collected in a cash receipts journal, depositing receipts and remitting money to the appropriate parties. Preparing accurate monthly bank reconciliations and accountability analyses are critical procedures that serve to document the status of money held by the clerk. Monthly bank reconciliations and accountability analyses enable the clerk to verify the accuracy of financial records and ensure that assets are sufficient to meet liabilities.

In addition, the clerk is required to deposit all fees collected within three business days after the total received exceeds \$250 and to remit such money to the supervisor and other agencies by the 15th day of the following month.

## The Clerk Did Not Always Deposit Collections Timely

We reviewed all collections for our audit period totaling \$43,917 (45 deposit batches in 2019 and 64 batches in 2020) to determine whether they were deposited timely and reported and remitted to the Supervisor and other NYS agencies. Also, we reviewed 182 Clerk fees collected during our audit period totaling \$11,542 to determine whether they were recorded accurately in the Clerk's software.<sup>1</sup>

We found these receipts were recorded accurately and properly reported and remitted to the Supervisor or other NYS agencies in a timely manner. However, we identified 13 instances totaling \$5,266 in which fees collected were not deposited within three business days, as required. These deposits ranged from one to four days late.

This occurred because the Clerk was unaware of the statutory requirement for deposits. When money collected is not deposited timely, the risk that it could be lost or used for inappropriate purposes increases.

## The Clerk Did Not Properly Reconcile the Bank Account or Prepare Accountability Analyses

While the Clerk attempted to reconcile her bank account on a monthly basis, she did not complete them properly. We reviewed the Clerk's 2020 bank statements and found that she routinely used an inaccurate list of outstanding checks in the reconciliations. For example, she included checks written in March as outstanding checks on the February reconciliation. Further, she did not complete accountability analyses. As a result, she had a residual balance in her bank account.

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...[W]e identified 13 instances totaling \$5,266 in which fees collected were not deposited within three business days, as required.

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<sup>1</sup> Refer to Appendix B for information on our sampling methodology.

We prepared an accountability analysis as of October 31, 2020. We found that the cash balance exceeded known liabilities by \$262, as substantiated by Clerk records (Figure 1).

**Figure 1: Clerk’s Accountability Analysis as of October 31, 2020**

<b>Clerk Assets</b>	
Clerk fees bank account balance	\$930
Cash receipts on hand, undeposited	328
<b>Total Clerk Assets</b>	<b>\$1,258</b>
<b>Clerk Liabilities</b>	
Due to Supervisor	\$582
Due to NYS Agriculture and Markets	41
Due to NYS Department of Health	23
Due to NYS Environmental Conservation	350
<b>Total Clerk Liabilities</b>	<b>\$996</b>
<b>Unremitted Cash</b>	<b>\$262</b>

Before our examination, the Clerk was unaware of the unaccounted-for balance in the bank account. We notified the Clerk of this excess so she could investigate the balance and determine to whom this money is owed.

These discrepancies occurred because the Clerk lacked the appropriate training to properly reconcile her bank account and perform accountability analyses, and the Board assumed the Clerk’s records were accurate when performing the annual audit of her records. However, when deposits are not made timely or the bank account is not properly reconciled, there is an increased risk that collections could be used for inappropriate purposes without detection. During our fieldwork, we provided assistance to the Clerk on how to properly reconcile adjusted bank balances to cash balances in the accounting records.

**What Do We Recommend?**

The Clerk should:

1. Deposit all collections in a timely manner.
2. Prepare bank reconciliations and accountability analyses to identify errors and remit any excess amounts to appropriate parties.
3. Obtain training on the financial responsibilities of the Town Clerk from the State Comptroller’s Training Academy at [www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy) and/or the Association of Towns’ training manual.

# Appendix A: Response From Town Officials

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Town of Oneonta

**Sara Robinson, Town Clerk/Tax Collector**

3966 St Hwy 23 · PO Box A, West Oneonta, NY 13861

Ph: 607-432-2900 Fax: 607-386-4816 Email: [oneontaclerk@stny.ny.gov](mailto:oneontaclerk@stny.ny.gov)

I have reviewed the audit report for my office and agree with the audit report. In response, I am going to do the following; I have started working on recording the check book register on an [REDACTED] spreadsheet for accountability analysis. I will also obtain trainings and make sure to remit all money within the required time frame. Thank you so much for your time.

Sara Robinson

Town Clerk/ Tax Collector

Town of Oneonta



## Town of Oneonta

3966 St Hwy 23 · PO Box A West Oneonta, NY 13861

Phone: 607-432-2900

June 9<sup>th</sup>, 2021

This letter is the response of the Town Board to the 2021 draft Report of Examination of the Town of Oneonta Town Clerk.

We agree with the findings of the auditors. We were made aware of an instance where Clerk Robinson had put \$60 of her own money into a deposit to cover what she thought was a shortage. This discrepancy created enough concern by the board that we felt an obligation to seek an audit, either from the State or our Town auditors. While the amounts are relatively small, the board believes there should be no differences in cash balances. The board conducted our annual review of the Clerk's records and was not able to detect these errors in our review.

The report indicates that the Clerk had not received sufficient training. The Town Board annually budgets \$1,000 for training and travel for the Clerk. Our previous Town Clerk with 40 years of experience, now retired but serves as Deputy Clerk, has tried to teach Ms. Robinson how to maintain the records properly. This instruction includes proper reconciliation of checkbooks. The Town Clerk is also the Tax Collector and we have been very concerned as the role involves millions of tax payer dollars. We believe that the Deputy Clerk has been essential in keeping the records accurate. The board remains concerned that Ms. Robinson has attended the AOT Newly Elected School that was held in January 2020, some seven months after she took office, and has not applied to take any additional training.

The Town Board has very little control over the Town Clerk. We establish hours of operation, but with no real way to enforce those hours. The position requires a person that is self-motivated and able to perform the duties of the job independently. During her two-year tenure, the current clerk has not demonstrated the desire or made the effort to accept the responsibilities of the office even with assistance. She has not taken the responsibility seriously regardless of many attempts by the board to advise her. She does not seem interested in the activities of Town government.

While she has learned the very basic duties, dog licenses, DEC licenses, marriage licenses etc., she has consistently relied on others to complete many of her duties. We cannot allow her to create vouchers as she loses bills and cannot properly code them. She has not reconciled a checkbook despite many efforts to teach her. We also question the validity of the other records she is entrusted to keep for the town residents. We believe she needs to be responsible for the Corrective Action Plan, as she is the only one that can implement it.

Robert Wood, Town Supervisor

## Appendix B: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed the Clerk and other Town officials to gain an understanding of internal controls over collecting, recording, depositing, remitting and reconciling money collected by the Clerk.
- We reviewed Board minutes and monthly and annual reports provided to Board members to determine the extent of financial information received by the Board.
- We compared all bank statement activity and check images to transactions in the financial software for the audit period to determine whether the Clerk remitted collections to the Supervisor or other State agencies in a timely manner.
- We used our professional judgment to select a sample of 182 Clerk fees (from 1,199 collected during the audit period) totaling \$11,542, including all transactions for marriage licenses, park rentals and mobile home park renewals, and a random sample of dog license renewals. We reviewed the supporting documentation for our sample to determine whether they were recorded accurately in the Clerk's software.
- We reviewed all Clerk reports for the audit period to verify whether they were received by the Supervisor, as evidenced by the Supervisor's signature.
- We reviewed and verified the accuracy of the February 2019 bank reconciliation of the Clerk's account. We compared our analysis of collections of Clerk's fees to reconcile the bank balance at the end of each fiscal year quarter to the end of our audit period.
- We reviewed all check images and bank statements for the Clerk's bank account for the audit period to ensure there were no cash withdrawals, transfers out, checks to cash or checks written to the Clerk or the deputy clerk.
- We reviewed all transactions from the Clerk's financial software and all available source documents on file in the Clerk's office for the audit period (consisting of 45 deposit batches in 2019 and 64 batches in 2020). We traced them to the Clerk's monthly reports to the Board to determine whether money deposited was remitted and reported. Available source documents included dog licenses, marriage licenses, park rental agreements and mobile home park renewals processed during the audit period, which we reviewed to determine whether they were deposited accurately and timely.

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We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

## Appendix C: Resources and Services

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### **Regional Office Directory**

<https://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf>

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

<https://www.osc.state.ny.us/local-government/publications>

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

<https://www.osc.state.ny.us/local-government/publications>

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

<https://www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf>

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

<https://www.osc.state.ny.us/local-government/publications>

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

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